

Memo for the Record

November 4, 1964

cc: T. P. Guerin, K. L. Hansen,

G. Grove, C. A. Smith, E. H. Smith

A. M. Eschbach

Information obtained from Encinal indicates their lease with Matson contains the following:

- 1. 137,000 square feet of area including an easement to use the dock..... 1¢ per sq. ft. per mo.**
- 2. 430,000 square feet of parking area..... 3/4th cent per square ft. per mo.**
- 3. Wharfage..... 50¢ per ton**
- 4. Rental payment related to tons of cargo:**
 - a. For the first 200,000 tons in each calendar year..... 33¢ per ton**
 - b. For the next 100,000 tons per calendar year..... 16-1/2¢ per ton**
 - c. For the next 100,000 tons per calendar year..... 8-1/4¢ per ton**
 - d. For all tonnage per calendar year over 400,000 tons..... 4-1/8¢ per ton**

The lease is for 20 years with no provision for cancellation. It has 16 years still to run. Escalation is provided for at the end of the 10th year. Should taxes be increased on the property at any time during the life of the lease, the increase will be paid for by Matson.

Encinal carried out the necessary structural work to strengthen the dock so it would carry the Matson gantry crane. The dock, however, was not made sufficiently strong to provide for random operation of the Matson container carrier. Matson made the necessary improvements of paving, drainage and fencing, including roadways to the parking area.

A. M. ESCHBACH
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Original Signed
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